

The “marriage premium” and the economic impact it can have on children

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How does your mother’s marital status affect your future? Throughout early American history, the typical family structure in the United States consisted of a mother and father who were married and contributing to the raising of their biological children. Today that family structure has many variations. Two-parent households are decreasing. Divorce, single parenting, and cohabitation are common. What will be the impact on the child as the family dynamic continues to change?

In 1960, 5 percent of children were born to unwed mothers. By 2014, that proportion exceeded 40 percent. In that year, the rate was 71 percent among Blacks, 71 percent among women under the age of 25, and 62 percent among women with less than a high school degree. In [“The economics of non-marital childbearing and the ‘marriage premium for children’”](#) (National Bureau of Economic Research working paper no. 23230, March 2017), authors Melissa S. Kearney and Phillip B. Levine look at the impact on children of the marital status of their parents.

Data from the Panel Study of Income Dynamics show that there is an economic impact to children born to unwed mothers. Children from this dynamic often have lower levels of educational achievement and experience higher levels of teen childbearing than children born to married parents. Moreover, children born to unwed mothers experience lower employment and income levels while experiencing higher levels of incarceration and single parenting. In general, there are advantages for children in a two-parent household. These children benefit from the additional resources offered by both parents in terms of time, child development, and income.

However, according to Kearney and Levine, the implications of single parenting vary depending on a woman’s educational attainment. Raising a child for a 19-year old woman without a high school degree is different than for a 25-year old with some college or a 35-year old with a college degree. Women with a higher education level are often better able to provide financially for their children regardless of marital status.

Kearney and Levine found that the impact on children of an unwed mother is less pronounced at the far ends of each spectrum. That is, the impact of marital status is not as significant a factor in determining the outcome of the children for the youngest and least educated mothers and the oldest and most educated mothers. The reasoning is that, on the low end, the additional resources from a spouse are not enough to make a substantial difference, and on the higher end, the additional financial resources may not be necessary. The biggest marital impact occurs for mothers in their early to mid-20s and for those with a high school degree.

In conclusion, this study has shown that while differences may vary depending on the mother's age, education, and income level, the outcome of children raised in a two-parent household throughout childhood into adulthood is brighter as compared with that of children raised by an unwed mother.

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